

WHAT'S NEW IN ECONOMICS?

DECEMBER, 2008

SAVE MONEY WITH FARMSTEAD ENERGY AUDIT

A publication by North Dakota State University (NDSU) Extension Service can help farmers and ranchers make their homes and operations more energy efficient. The title of the publication is "Farmstead Energy Audit" and can be found at www.ag.ndsu.edu/pubs/ageng/structu/ae1366.pdf.

Eight different areas of the farmstead are covered: Tractor and Field Operations, Grain Drying, Home, Indoor and Outdoor Lighting, Farm Shop, Irrigation, Livestock Buildings and Livestock Water Systems. For each area, the authors pose questions about the operation and facts and actions for that area. For, example, a question for

Tractor and Field Operations is "Are you using radial tires and are they properly inflated?".

An example Fact and Action for Grain Drying is "Level the grain to create more uniform drying, which is more energy efficient and economical.". The authors also provide additional resources for each area of the farmstead.

The section on the home would apply to all homes, not just farmsteads. The important questions are:

- Is ceiling insulation adequate?
- Are windows sealed to restrict air movement?
- Do you have double or triple glazing on all windows?
- Is insulation placed to the eave and in the corners of the attic?
- Is the air conditioner properly

sized for the home?

- Do you have insulation on the basement walls from the floor joists to at least 4 feet below ground level?
- Do you have a vapor barrier on the warm side of the wall and ceiling insulation?
- Is your furnace or boiler more than 20 years old?
- Was your refrigerator manufactured before 1993?
- Are you using a programmable thermostat or thermostat setbacks?
- Do you have trees or vegetation planted that provide shade in the summer and a windbreak in the winter?

Many energy companies will do energy audits for a minimal fee or free, in some cases. In the past, a number of producers have completed energy audits through CSP.

SPECIAL POINTS OF INTEREST:

- *Net Farm Income is Forecast to be \$86.9 billion in 2008, which is 42 percent above the 10-year average of \$61.1 billion.*
- *Average farm operator household income is forecast to be \$86,798 in 2008. Average farm household income from farm sources is forecast to be \$5,900 and off-farm income is forecast to be \$80,897.*
- *Approximately, 70 percent of farm operator households have either an operator or spouse of an operator at an off-farm job.*
- *Only for the households that operate the largest 8 percent of farms (with sales of \$250,000 or more) is the average farm income greater than off-farm income in a typical year.*

(Source: Economic Research Service, 2008 Farm Income Forecast, <http://www.ers.usda.gov/Features/FarmIncome/>)

MINNESOTA—2007 TOP PRODUCER OF TURKEYS

Since Thanksgiving has just passed, I thought an article on turkey production in Minnesota and random facts about turkeys was appropriate. In 2007, Minnesota turkey growers ranked first in turkeys raised and in pounds produced. Turkey producers in Minnesota

raised 48 million turkeys, producing 1.29 billion pounds. In 2007, the value of the state's turkey production was \$568.9 million. (MN 2008 Agricultural Statistics, MN NASS)

In 2006, the average American ate 16.9 pounds of tur-

key. In 1920, U.S. turkey growers produced 1 turkey for every 29 persons in the U.S. Today, growers producer nearly one turkey for every person in the U.S. It takes 75 to 80 pounds of feed to raise a 30 pound tom turkey. (University of Illinois Extension)

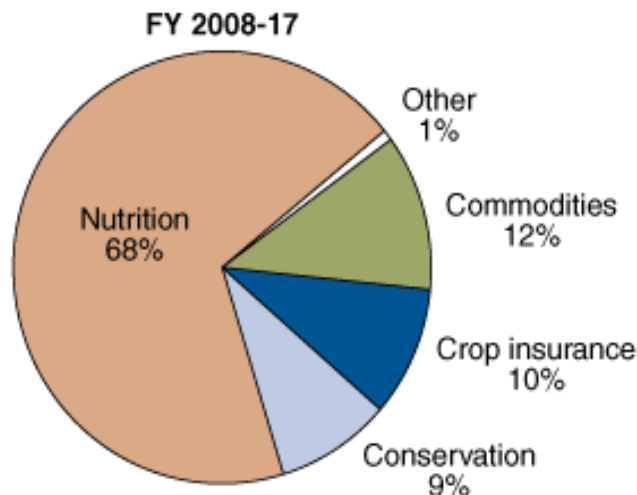


Source: www.extension.umn.edu/poultry/

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<http://www.mn.nrcs.usda.gov/technical/ecs/economics/economics.html>

Farm programs account for about 22 percent of Farm Act budget allocations



Source: USDA, Economic Research Service using Congressional Budget Office estimates.

FLUCTUATING FOOD COMMODITY PRICES

A recent publication by the Economic Research Service (ERS) discusses the fluctuating food commodity prices and the factors that have contributed to higher food commodity prices. In summary:

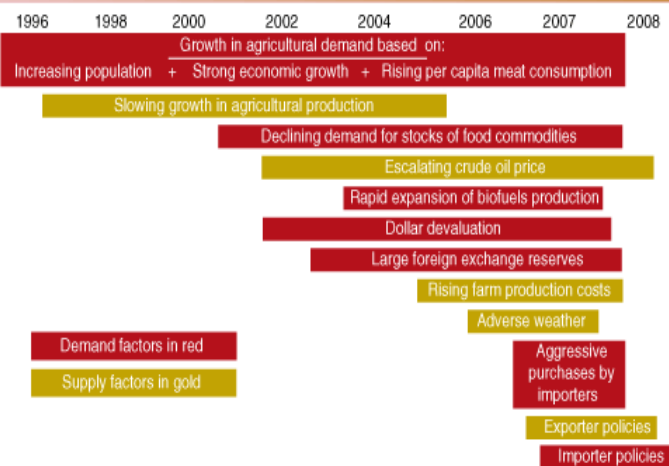
- “Prices for food commodities increased sharply over the past 2 years.”
- “Rising food demand in developing countries outpaced production growth of major food commodities and demand for global stockholding has fallen.”

- “Other factors behind higher food prices are increased energy costs, demand for biofuels, a weakening U.S. dollar, adverse weather, and policy response by major exporting and importing countries.”

A copy of the article can be found at the following website:
<http://www.ers.usda.gov/AmberWaves/November08/Features/FoodPrices.htm>.

(Source: Trostle, Ronald. "Fluctuating Food Commodity Prices: A Complex Issue with No Easy Answers." *Amber Waves*, November 2008)

A number of factors have contributed to higher food commodity prices



Source: USDA, Economic Research Service.

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